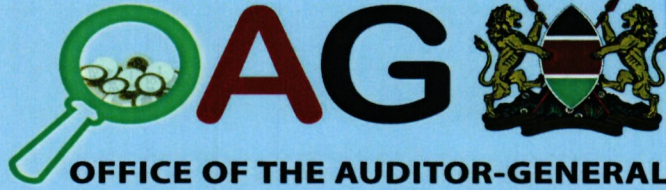


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# REPORT

OF  
THE NATIONAL ASSEMBLY

DATE: 23 MARCH 2020

TABLED BY:	L.O.M.
CLERK-AT THE-TABLE:	INP

ON

## NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - WAJIR NORTH CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2020



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - WAJIR NORTH  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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**Prepared in accordance with the Cash Basis of Accounting Method under the International Public  
Sector Accounting Standards (IPSAS)**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
NORTH CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

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WAJIR NORTH CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

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**KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

**Mandate**

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

**Vision**

Equitable Socio-economic development countrywide

**Mission**

To provide leadership and policy direction for effective and efficient management of the Fund

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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**Core Values**

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

**(b) Key Management**

The NGCDF WAJIR NORTH Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	MOHAMED I. JATTANI
2.	Sub-County Accountant	RASHID AHMED
3.	Chairman NGCDFC	YUSSUF ABDULLAHI
4.	Member NGCDFC	HALIMA ABDULAHI

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -WAJIR NORTH Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

**(e) NGCDF WAJIR NORTH Constituency Headquarters**

P.O. Box 197 - 60300

MOYALE

Bute sub-county-opposite DCC-residence

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
NORTH CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

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**(f) NGCDF WAJIR NORTH Constituency Contacts**

Telephone: (254) 729466330  
E-mail: cdfwajirnorth.ngcdf.go.ke  
Website: www.ngcdf.go.ke

**(g) NGCDF WAJIR NORTH Constituency Bankers**

1. First community(Kenya) Limited  
WAJIR Branch  
P.O. Box657 - 60300  
WAJIR, Kenya

Equity Bank (Kenya) Limited.  
800078777

**(h) Independent Auditors**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya

**(i) Principal Legal Adviser**

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR NORTH CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

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**FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

It gives me great pleasure to provide the foreword to the WAJIR NORTH National Government Constituencies Development Fund Annual Reports and Financial Statements for 2019/20 as follows: During the 2019/20 Financial Year, we set out to improve on our overall operations. On For example Education, we began to map out keenly the needs of our institutions of learning, both primary and secondary schools. This was aimed at ensuring that no single needy institution is left out in terms of infrastructural development. This has resulted in a more targeted approach to resource allocation. In doing this, we were also cognisant of the need to ensure that we don't spread our resources too thin as to make any meaningful impact.

**o GRAPHICAL COMPARISONS BETWEEN FY 2019/20 AND FY 2018/19:**

**1. NG-CDF Board Allocations to the Constituency**



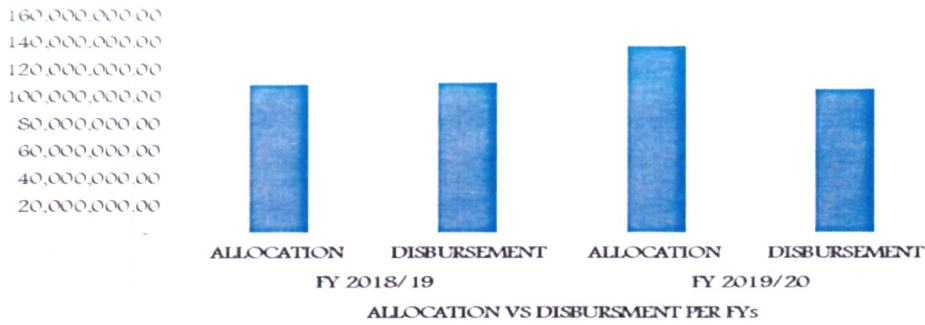
**2. DISBURSEMENTS BY THE NGCDFC IN THE FY 2019/20 VS FY 2018/19**



**3. COMPARISON BETWEEN ALLOCATION VS DISBURSMENTS: -**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

ALLOCATION VS DISBURSEMENT PER FY's



• **SAMPLE OF THE PROJECTS IMPLEMENTED**

- 1. KORONDILE BOYS SEC SCHOOL-** school fencing, covering 3000ft, 3.5m, Phase 1 of the project is complete



- 2. BUTE BOYS SEC SCHOOL-** Fencing of school compound, the whole project is complete



..Yussuf Abdullahi Ali.....  
**CHAIRMAN WAJIR NORTH NGCDFC**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR NORTH CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

**STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES**

**Introduction**

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of NGCDF-WAJIR NORTH Constituency's 2018-2022 plan are to: *(Enumerate all the objectives of the constituency as per the Strategic Plan)*

- To mobilize more resources for community development.
- To improve safe water supply.
- To improve the health standards of the constituency.
- To improve infrastructure, especially schools and roads within the constituency.
- To build capacity of the community to implement development projects.
- Empower and training of youth

**Progress on attainment of Strategic development objectives**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

<b>Constituency Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 19/20 -we increased number of classrooms from 50 to 60, dormitories from 10 to 12, laboratories from 8 to 11 - Bursary beneficiaries at all levels were 600
Security	To have conducive working environment for security agencies	Increased construction of chief's offices and other security lines	Improved security in the area	In FY 19/20 we have increased construction security offices from 15 to 20

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
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Environment	To improve environment by carrying out environmental activities	Increased planting of trees both indigenous and fruit trees	Improved environment	in the FY 19/20, increased harvesting of water in schools from 3 to 5
Sports	To empower youth through sports activities	Increased sports activities through Wajir North tournament	Improved youth empowerment	We have carried Wajir North tournament by purchasing 20 balls, 10 trophies, 50 pairs of uniforms
Disaster Management	To mitigate disasters through disaster management	Increased capacity building on disaster management	Improved awareness	We have carried capacity building due to increase awareness on disaster managements

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
NORTH CONSTITUENCY**

**Reports and Financial Statements  
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**CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY  
REPORTING**

NGCDF – Wajir North Constituency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

**1. Sustainability strategy and profile –**

The NG-CDFC carries out public participation after every two years to make sure projects funded are- community based, sustainable, addresses community needs, fully funded to completion and handed to the community once complete

**2. Environmental performance**

Through budget proposal, the NG-CDFC allocates yearly a minimum 2% of the total allocation towards environmental activities.

The constituency has been able to plant more than 10,000 tree seedlings at various public institutions but the main challenge is that institutions have not fenced the seedlings leading to destructions by animals.

NG-CDFC have also install volt guard to control power surges and fire extinguishers strategically at the office

**3. Employee welfare**

The NG-CDF staff are hired through advertisement of vacant position, shortlisting, interviews and subsequent hiring. The hiring process are carried out by NG-CDFC. The staff are regularly appraised to improve performance. Through capacity building, NG-CDF staff are trained regularly. Fire extinguishers are strategically placed in case of fire outbreak. NG-CDFC in the recruitment process takes into consideration the gender and has employed 3 females out of 9 positions in the NG-CDF office

**4. Market place practices-**

Through PMC tendering process, the local benefit competitively to supply building materials and labor

Prompt payment of suppliers

Advertisements for tenders are done publicly and all are invited to apply competitively including PWDS and youths

The NG-CDFC is guided by the NG-CDF act, PFMA act and procurement regulations in its operation.

NG-CDFC have developed a service charter for efficiency in delivery of services

NG-CDFC have developed a complaint register to register all complaints and the focal person to address the issues raised.

NG-CDFC members are vetted and gazetted as per the NG-CDF act.

NG-CDFC are guided by the chapter 6 of the 2010 constitution

**5. Community Engagements -**

- public participation in projects identification and implementation
- public awareness on project implementation of on NG-CDF funded projects through radio stations, public barazas, ward meetings

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
NORTH CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

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**STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.


The Accounting Officer in charge of the NGCDF-Wajir North Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

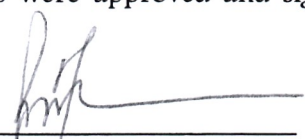
The Accounting Officer in charge of the NGCDF-Wajir North Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Wajir North Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-Wajir North Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

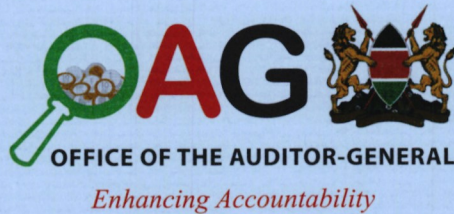
The NGCDF-WAJIR NORTH Constituency financial statements were approved and signed by the Accounting Officer on 30/06 2020.

  
\_\_\_\_\_  
**Fund Account Manager**  
Name: Mohamed Jattani

  
\_\_\_\_\_  
**National Sub-County Accountant**  
Name: Rashid Ahmed  
ICPAK Member Number: 17483

# REPUBLIC OF KENYA

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Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - WAJIR NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Wajir North Constituency set out on pages 11 to 27 which comprise the statement of financial assets and liabilities as at 30 June, 2020 statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Wajir North Constituency as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1. Cash and Cash Equivalents

###### 1.1 Unpresented Cheques

As disclosed in Note 6 to the financial statements, the cash and cash equivalents reflects a balance of Kshs.13,637,421 in the statements of assets and liabilities as at 30 June, 2020. Included in the balance is unpresented cheques amounting to Kshs.12,119,231. However, examination of the records revealed that an amount of Kshs.804,756 constitutes stale cheques which continued to be reflected as unpresented cheques and have not been reversed to the cash book.

Consequently, the accuracy and completeness of the cash and cash equivalents balance of Kshs.13,637,421 as at 30 June, 2020 could not be confirmed.

## **2.0 Unsupported Prior Year Adjustment**

The statement of assets and liabilities as at 30 June, 2020 reflects a prior year adjustment of Kshs.7,840,346 as similarly disclosed in Note 8 to the financial statements. However, the adjustment was not supported with journal entries.

Consequently, the accuracy and completeness of the prior year adjustment of Kshs.7,840,346 for the year ended 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Wajir North Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matter**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **1.0 Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.188,046,449 and Kshs.118,678,725 respectively resulting to an under funding of Kshs.69,367,724 or 37% of the budget. Similarly, the actual expenditure reflects a balance of Kshs.105,041,305 against an approved budget of Kshs.188,046,449 resulting to an under-expenditure of Kshs.83,005,145 or 44% of the budget.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the citizens.

#### **2.0 Project Implementation Status**

During the year under review, the Board approved a budget of Kshs.126,997,000 for implementation of seventy-nine (79) projects. However, an analysis of the status report revealed that only forty eight (48) projects with a budget of Kshs.70,311,075 were implemented while thirty one (31) projects with a budget of Kshs.56,685,925, being 39% of budgeted projects were not implemented.

The underperformance in project implementation affected the planned activities and may have impacted negatively on service delivery to the citizens.

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

## **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1.0 Implementation of Projects Under County Government Functions**

The statement of receipts and payments reflects other grants and transfers balance of Kshs.37,134,075. Included in this figure is an expenditure on emergency projects amounting to Kshs.6,484,075. Review of the payment vouchers and schedules presented for audit revealed that the Fund spent an amount of Kshs.4,595,000 on water trucking services under the emergency allocation. However, the Fund did not provide justification for funding water projects which fall under the functions of County Governments. It was further not clear why water trucking was considered an emergency yet this is a problem that is expected every year in the region. The utilization of the emergency reserve was not reported to the Board within thirty days of occurrence of the emergency as required under Section 20(2) of the National Government Constituencies Development Fund Act, 2015.

In the circumstances, Management was in breach of the law.

### **2.0 Transfers to Other Government Units**

#### **2.1 Transfers of Primary Schools**

Included in the transfers other Government units of Kshs.56,480,000 in Note 4 to the financial statements is an amount of Kshs.41,780,000 transferred to primary schools. However, a review of payment records, project files and other tender documents revealed that grants totaling to Kshs.9,300,000 were not supported with confidential business questionnaires, form of tender, tender questionnaires and handing over reports. It was therefore not possible to confirm whether the projects were procured in accordance with the Public Procurement and Asset Disposal Act, 2015. Further, the Tender Opening Committee did not append their signatures or initials on one or more pages of the Bills of Quantities and tender documents as required by Section 78(9) of the Public Procurement and Asset Disposal Act, 2015.

#### **2.2 Transfers to Secondary Schools**

Included in the transfers to other Government units figure of Kshs.56,480,000 under Note 4 to the financial statements is an amount of Kshs.14,700,000 for transfers to secondary schools. Out of the transfers of Kshs.14,700,000, Kshs.6,100,000 was spent on the construction of a fence and a gate at Bute Boys Secondary School. However, examination of payment records and tender documents for the project revealed the following anomalies:

- i). The project management committees advertised the tender through local notice instead of advertising in the dailies or in the Fund's website as required by Section 96(2) of the Public Procurement and Asset Disposal Act, 2015.
- ii). Standard tender documents such as confidential business questionnaires, form of tender, tender questionnaires and handing over report were not provided for audit review. It was therefore not possible to confirm whether the projects were procured in compliance with Public Procurement and Asset Disposal Act, 2015.
- iii). The tender opening committee did not append their signatures or initials on one or more pages of the bill of quantities and tender documents as required by Section 78(9) of the Public Procurement and Asset Disposal Act, 2015. It was therefore not possible to ascertain that the minutes were the correct proceedings of the tender opening committees. Further the summary pages of bill of quantities did not have the address, date and signature of the contractor and the witness.
- iv). The project file did not contain professional opinion to support the award of the contract as required by Section 84 of the Public Procurement and Asset Disposal Act, 2015.
- v). Tender evaluation minutes supporting the payments were not signed by the evaluation committee members contrary to the requirement of Section 80(7) of the Public Procurement and Assets Disposal Act, 2015 which requires evaluation report to be signed by each members of the evaluation committee. It was further noted that mandatory compliance documents such as certificates of incorporation, and National Construction Authority registration certificates for the winning bidders were not availed for audit review.

In the circumstances, Management is in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were



operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

17 February, 2022

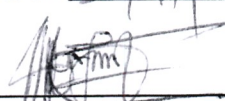
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
NORTH CONSTITUENCY**

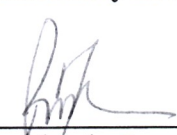
**Reports and Financial Statements  
For the year ended June 30, 2020**

**STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	110,740,876	108,784,483
<b>TOTAL RECEIPTS</b>		<b>110,740,876</b>	<b>108,784,483</b>
<b>PAYMENTS</b>			
Compensation of employees	2	3,240,275	2,322,472
Use of goods and services	3	8,186,955	7,632,452
Transfers to Other Government Units	4	56,480,000	46,885,203
Other grants and transfers	5	37,134,075	42,911,682
Other Payments		-	3,077,000
<b>TOTAL PAYMENTS</b>		<b>105,041,305</b>	<b>102,828,809</b>
<b>SURPLUS/DEFICIT</b>		<b>5,699,571</b>	<b>5,955,674</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-WAJIR NORTH Constituency financial statements were approved on 30/07 2020 and signed by:

  
Fund Account Manager  
Name: Mohamed Jattani

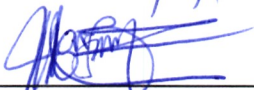
  
National Sub-County Accountant  
Name: Rashid Ahmed  
ICPAK Member Number: 17482

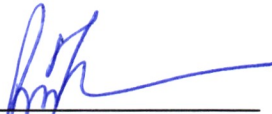
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	6	13,637,421	15,778,196
<b>TOTAL FINANCIAL ASSETS</b>		<b>13,637,421</b>	<b>15,778,196</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	7	15,778,196	9,822,522
Surplus/Defict for the year		5,699,571	5,955,674
Prior year adjustment	8	( 7,840,346)	
<b>NET LIABILITIES</b>		<b>13,637,421</b>	<b>15,778,196</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-WAJIR NORTH Constituency financial statements were approved on 30/06/20 2020 and signed by:

  
 Fund Account Manager  
 Name: Mohamed Jattani

  
 National Sub-County Accountant  
 Name: Rashid Ahmed  
 ICPAK Member Number: 17483

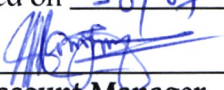
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
NORTH CONSTITUENCY**

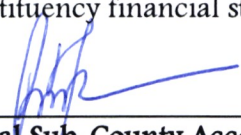
**Reports and Financial Statements  
For the year ended June 30, 2020**

**STATEMENT OF CASHFLOW**

<b>Receipts for operating income</b>		<b>2019-2020</b>	<b>2018-2019</b>
Transfers from CDF Board	1	110,740,876	108,784,483
<b>Payments for operating expenses</b>			
Compensation of Employees	2	3,240,275	2,322,472
Use of goods and services	3	8,186,955	7,632,452
Transfers to Other Government Units	4	56,480,000	46,885,203
Other grants and transfers	5	37,134,075	42,911,682
Other Payments		-	3,077,000
<b>Total Payment</b>		<b>105,041,305</b>	<b>102,828,809</b>
<b>Adjusted for:</b>	8	(7,840,346)	
<b>Net cash flow from operating activities</b>		<b>(2,140,778)</b>	<b>5,955,674</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
<b>Net cash flows from Investing Activities</b>		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
		<b>(2,140,778)</b>	<b>5,955,674</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>15,778,196</b>	<b>9,822,522</b>
<b>Cash and cash equivalent at END of the year</b>	6	<b>13,637,421</b>	<b>15,778,196</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-WAJIR NORTH Constituency financial statements were approved on 30/07 2020 and signed by:

  
Fund Account Manager  
Name: Mohamed Jattani

  
National Sub-County Accountant  
Name: Rashid Ahmed  
ICPAK Member Number: 17483

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
NORTH CONSTITUENCY**


**Reports and Financial Statements**

**For the year ended June 30, 2020**

**SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND  
DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	137,367,724	50,678,725	188,046,449	118,678,725	69,367,724	63%
<b>TOTALS</b>	<b>137,367,724</b>	<b>50,678,725</b>	<b>188,046,449</b>	<b>118,678,725</b>	<b>69,367,724</b>	<b>63%</b>
<b>PAYMENTS</b>						
compensation of employees	4,042,000	1,500,000	5,542,000	3,240,275	2,301,725	58%
Use of goods and services	8,321,000	5,000,000	13,321,000	8,186,955	5,134,045	61%
Transfers to Other Government Units	83,000,000	32,937,850	115,937,850	56,480,000	59,457,850	49%
Other grants and transfers	38,245,240	11,240,876	49,486,116	37,134,075	12,352,041	75%
Other Payments(NG-CDF office)	3,759,484	-	3,759,484	-	3,759,484	0%
<b>TOTALS</b>	<b>137,367,724</b>	<b>50,678,726</b>	<b>188,046,450</b>	<b>105,041,305</b>	<b>83,005,145</b>	<b>56%</b>

The NGCDF-WAJIR NORTH Constituency financial statements were approved on 30/07 2020 and signed by:



Fund Account Manager  
Name: Mohamed Jattani



National Sub-County Accountant  
Name: Rashid Ahmed  
ICPAK Member Number

17483

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
NORTH CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

**BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

<b>Programme/Sub-programme</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on comparable basis</b>	<b>Budget utilization difference</b>
	<b>2019/2020</b>	<b>2019/2020</b>	<b>2019/2020</b>	<b>2019/2020</b>	<b>2019/2020</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>1.0 Administration</b>					
Employees' Salaries	4,042,000	1,035,558	5,077,558	3,240,275	1,837,283
Goods and Services	4,200,000	1300,000	5,500,000	8,186,955	-2686,955
<b>Sub-Total</b>	<b>8,242,000</b>	<b>2,335,558</b>	<b>10,577,558</b>	<b>11,427,230</b>	<b>-849,672</b>
<b>2.0 Emergency</b>					
Emergency	7,219,240	-	7,219,240	6,784,075	435,165
<b>Sub-Total</b>	<b>7,219,240</b>	<b>-</b>	<b>7,219,240</b>	<b>6,784,075</b>	<b>435,165</b>
<b>3.0 Bursary and Social Security Programme</b>					
Bursary Secondary Schools	12,000,000	1,387,850	13,387,850	10,150,000	3,237,850
Bursary Tertiary Schools	14,000,000	6,305,318	20,305,318	13,153,000	7,152,318
<b>Sub-Total</b>	<b>26,000,000</b>	<b>7,693,168</b>	<b>33,693,168</b>	<b>23,303,000</b>	<b>10,390,168</b>
<b>4.0 Sports</b>	<b>2,747,000</b>		<b>2,747,000</b>	<b>2,747,000</b>	<b>-</b>
<b>Sub-Total</b>	<b>2,747,000</b>	<b>-</b>	<b>2,747,000</b>	<b>2,747,000</b>	<b>-</b>
<b>5.0 Primary School Projects</b>					
Godoma NEP primary school	2,000,000		2,000,000	1,500,000	500,000
watiti Primary School	2,300,000		2,300,000		2,300,000
Watiti Primary School	1,000,000		1,000,000		1,000,000
Danaba Primary School	1,600,000		1,600,000		1,600,000
Watiti Primary School	400,000		400,000		400,000
Chalalaqa Primary School	900,000		900,000		900,000
Kardusse Primary School	1,800,000		1,800,000		1,800,000
Batalu primary	600,000		600,000		600,000



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

school					
Malaba Primary School	1,200,000		1,200,000	400,000	800,000
Bute Arid Zone Primary School	500,000		500,000		500,000
Sub-county director Educations residence-wajir North	1,100,000		1,100,000		1,100,000
Adhadhi Ijole Primary School	5,000,000		5,000,000		5,000,000
Gurar Primary School	800,000		800,000	800,000	-
Gurar Primary School	2,100,000		2,100,000	1,800,000	300,000
Sirey Primary School school	1,300,000		1,300,000		1,300,000
danaba Primary School	400,000		400,000		400,000
Andaraka Primary School	1,800,000		1,800,000		1,800,000
Qudama Primary School	1,500,000		1,500,000		1,500,000
Bosicha Primary School	2,500,000		2,500,000	1,500,000	1,000,000
Bosicha Primary School	800,000		800,000		800,000
Ajawa Primary School school	7,500,000		7,500,000		7,500,000
Basanije Primary School	600,000		600,000	600,000	-
Kuro Primary School	900,000		900,000		900,000
Buna Primary School school	2,400,000		2,400,000		2,400,000
Sub-county Educations office-Buna	1,100,000		1,100,000	1,100,000	-
Idho roble Primary School	1,000,000		1,000,000	500,000	500,000
Lensayu Primary School	400,000		400,000		400,000
Rabsu Primary School school	900,000		900,000		900,000
Tullu Roba Primary School	400,000		400,000	400,000	-
Ogorji Primary School	2,000,000		2,000,000	1,500,000	500,000
Dugo Primary School	1,300,000		1,300,000		1,300,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Beramo Primary School	2,300,000		2,300,000		2,300,000
Serayu Primary School school	400,000		400,000		400,000
jarti Primary School	500,000		500,000		500,000
Ololdinle Primary School	900,000		900,000		900,000
Gar kilo Primary School	1,600,000		1,600,000	1,600,000	-
Daranle Primary School	1,300,000		1,300,000	1,300,000	-
Bute Boys secondary school	4,500,000		4,500,000		4,500,000
Bute Boys Secondary School	7,500,000		7,500,000		7,500,000
Bute Girls Secondary School	3,700,000		3,700,000		3,700,000
Bute Primary School	2,000,000		2,000,000		2,000,000
Bosicha Primary School	2,500,000		2,500,000	1,500,000	1,000,000
Hote Primary Schjool		1,500,000	1,500,000	1,500,000	-
Funambua Primary School		500,000	500,000	500,000	-
Garafillo Primary School		1,800,000	1,800,000	1,800,000	-
Adadijole Primary School		1,500,000	1,500,000	1,500,000	-
Qarsa Abula Primary School		1,300,000	1,300,000	1,300,000	-
Sala Primary School		1,500,000	1,500,000	1,500,000	-
Shalalaqa Primary School		1,800,000	1,800,000	1,800,000	-
Buna Primary School		3,000,000	3,000,000	3,000,000	-
Haradulla Primary School		1,300,000	1,300,000	1,300,000	-
Barsanije Primary School		1,300,000	1,300,000	1,300,000	-
Dugo Primary School		1,500,000	1,500,000	1,500,000	-
Idho Roble Primary School		1,800,000	1,800,000	1,800,000	-
Surayu Primary School		900,000	900,000	900,000	-
Mulsaded Primary School		1,500,000	1,500,000	1,500,000	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
NORTH CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

Qudama Primary School		1,500,000	1,500,000	1,500,000	-
Idho Roble Primary School		1,800,000	1,800,000	1,800,000	-
Qarsare Mixed Sec School		2,700,000	2,700,000	2,700,000	
<b>Sub-Total</b>	<b>75,300,000</b>	<b>27,200,000</b>	<b>102,500,000</b>	<b>41,700,000</b>	<b>60,800,000</b>
<b>6.0 Secondary School Projects</b>			-		-
Bute mixed day secondary	3,500,000		3,500,000	3,050,000	450,000
Danaba Day secondary	2,000,000		2,000,000	2,000,000	-
Danaba Day secondary	1,800,000		1,800,000	-	1,800,000
Buna Girls Secondary School	1,000,000		1,000,000	-	1,000,000
Korondile Secondary School	3,500,000		3,500,000	1,700,000	1,800,000
Bute Boys Secondary School		3,050,000	3,050,000	3,050,000	-
Bute Girls Secondary School		1,100,000	1,100,000	1,100,000	-
Danaba Day Secondary School		400,000	400,000	400,000	-
Danaba Day Secondary School		1,300,000	1,300,000	1,300,000	-
Korondille Secondary School		2,100,000	2,100,000	2,100,000	-
<b>Sub-Total</b>	<b>11,800,000</b>	<b>7,950,000</b>	<b>19,750,000</b>	<b>14,700,000</b>	<b>5,050,000</b>
<b>7.0 Security Projects</b>			-		-
Danaba AP camp	400,000		400,000	400,000	-
Bute Deputy County Commissioner	400,000		400,000	400,000	-
Malka Gufu Chiefs Office	1,500,000		1,500,000	-	1,500,000
Leysayu Chiefs Office		1,500,000	1,500,000	1,500,000	
Malkagafu Police Post		1,300,000	1,300,000	1,300,000	
Bute AP Camp		700,000	700,000	700,000	-
Gurar PMC		300,000	300,000	300,000	
<b>Sub-Total</b>	<b>2,300,000</b>	<b>3,800,000</b>	<b>6,100,000</b>	<b>4,600,000</b>	<b>1,500,000</b>
<b>8.0 Acquisitions of Assets</b>			-		-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
NORTH CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

<b>12.0 Others</b>			-		-
NG-CDFC Wajir North	1,520,000	-	1,520,000		1,520,000
NGCDFC WAJIR NORTH	2,239,484		2,239,484		2,239,484
<b>Sub-Total</b>	<b>3,759,484</b>		<b>3,759,484</b>		<b>3,759,484</b>
<b>GRAND TOTAL</b>	<b>137,367,724</b>	<b>48,978,726</b>	<b>186,346,450</b>	<b>105,261,305</b>	<b>81,085,145</b>

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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**SIGNIFICANT ACCOUNTING POLICIES**

The principle accounting policies adopted in the preparation of these financial statements are set out below:

**1. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

**2. Reporting Entity**

The financial statements are for the NGCDF-WAJIR NORTH Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

**3. Reporting Currency**

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

**4. Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

**a) Recognition of Receipts**

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

**Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

**Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) WAJIR  
NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

**b) Recognition of payments**

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

**Compensation of Employees**

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

**Use of Goods and Services**

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

**Acquisition of Fixed Assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**5. In-kind contributions**

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

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**6. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

**7. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**8. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

**9. Pending Bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

**10. Unutilized Fund**

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NGCDF Act, 2015.

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

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**Comparative Figure** Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

**12. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2020.

**13. Errors**

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

**14. Related Party Transactions**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.



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**NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description	AIE NO.s	2019-2020	2018-2019
		Kshs	Kshs
Normal Allocation		42,240,875.50	
		4,000,000.00	
		500,000.00	
		18,000,000.00	
		15,000,000.00	
		31,000,000.00	
	B030096		43,405,172.80
	B005066		11,379,310.35
	B005010		10,000,000.00
	B030494		12,000,000.00
	B006491		8,000,000.00
	B042795		11,000,000.00
	B042936		13,000,000.00
Conditional grants			
	AIE NO...		-
Receipt from other Constituency	AIE NO...		-
<b>TOTAL</b>		<b>110,740,875.50</b>	<b>108,784,483.15</b>

**2. COMPENSATION OF EMPLOYEES**

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Basic wages of contractual employees	3,021,625.00	2,322,472
Employer Contribution NSSF	88,400.00	
<b>Personal allowances paid as part of salary</b>		
Other personnel payments	130,250.00	
<b>Total</b>	<b>3,240,275</b>	<b>2,322,472</b>

**3. USE OF GOODS AND SERVICES**

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Domestic travel and subsistence	-	200,000.00
Rentals of produced assets	1,060,000	580,000
Training expenses	1,438,000	948,000.00
Committee Allowance	4,961,600	4,457,800
Office and general supplies and services	180,335	1,446,452
Other operating expenses	78,019.6	-
Routine maintenance – vehicles and other transport equipment	469,000	-
<b>Total</b>	<b>8,186,955</b>	<b>7,632,452</b>

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**4. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfers to primary schools	41,780,000.00	36,285,203.00
Transfers to secondary schools	14,700,000.00	10,600,000.00
<b>TOTAL</b>	<b>56,480,000.00</b>	<b>46,885,203.00</b>

**5. OTHER GRANTS AND OTHER PAYMENTS**

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Bursary -Secondary	10,150,000.00	8,235,000.00
Bursary -Tertiary	13,153,000.00	10,192,800.00
Security	4,600,000.00	17,999,882
Sports	2,747,000.00	1,734,000
Emergency Projects (specify)	6,484,075.00	4,750,000
<b>Total</b>	<b>37,134,075</b>	<b>42,911,682</b>

**6: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

Name of Bank, Account No. & currency		2019 - 2020	2018 - 2019
	Account Number	Kshs (30/6/2020)	Kshs (30/6/2019)
First Community Bank	8000787701	13,637,420.57	15,778,196
<b>Total</b>		<b>13,637,420.57</b>	<b>15,778,196</b>

**7. BALANCES BROUGHT FORWARD**

	2019 - 2020	2018 - 2019
	Kshs (1/7/2019)	Kshs (1/7/2018)
Bank accounts	15,778,196	9,822,521.81
<b>Total</b>	<b>15,778,196</b>	<b>9,822,521.81</b>

**8. PRIOR YEAR ADJUSTMENT**

Description of Error	2019 - 2020	2018 - 2019
	Kshs (1/7/2019)	Kshs (1/7/2018)
Errors from prior year misstatement.	7,840,346	
<b>Total</b>	<b>7,840,346</b>	

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
WAJIR NORTH/CDF/13	Non Submission of trial balance	Trial balance submitted for audit verification	Mohamed Jattani	Resolved	Resolved
WAJIR NORTH/CDF/13	Cash and Cash Equivalent	Stale cheques have been reversed in the cashbook	Mohamed Jattai	Resolved	Resolved

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**1.0 OTHER IMPORTANT DISCLOSURES**

**1.1 UNUTILIZED FUND (See Annex 1)**

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	2,301,725	1,784,565
Use of goods and services	5,134,045	2,744,525
Amounts due to other Government entities (see attached list)	59,457,850	67,874,949
Amounts due to other grants and other transfers (see attached list)	12,352,041	1,407,468
Acquisition of assets	-	2,500
Others -Tertiary	3,759,484	
	<b>83,005,145</b>	<b>73,814,007.00</b>

**1.2: PMC account balances (See Annex 3)**

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)		
	2,136.21	114,625
	<b>2136.95</b>	<b>114,625</b>

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**ANNEX 1 – UNUTILIZED FUND**

Programme/Sub-programme	Description	Outstanding balance 2019/20	Outstanding balance 2018/19	Comments
		Kshs	Kshs	
<b>1.0 Administration</b>				
Employees' Salaries	Payment of NG-CDF staff salaries and Gratuities	2,301,725	-	Ongoing
<b>Sub-Total</b>		<b>2,301,725</b>	<b>-</b>	
<b>2.0 Monitoring and Evaluation</b>				
Goods and Services	Purchase of fuel, repairs and maintenance, printing, stationery, telephone, travel and subsistence, Committee allowances, office tea.	5,134,045	-	Ongoing
<b>Sub-Total</b>		<b>5,134,045</b>	<b>-</b>	
<b>3.0 Emergency</b>				
Emergency	To cater for emergencies within the constituency	541,873	-	Ongoing
<b>Sub-Total</b>		<b>541,873</b>	<b>-</b>	
<b>4.0 Bursary and Social Security Programme</b>				
Bursary Secondary Schools	To support needy students	3,157,850	-	Ongoing
Bursary Tertiary Schools	To support needy students	7,152,318	-	Ongoing
<b>Sub-Total</b>		<b>10,310,168</b>	<b>-</b>	

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Programme/Sub-programme	Description	Outstanding balance 2019/20	Outstanding balance 2018/19	Comments
		Kshs	Kshs	
<b>5.0 Security Projects</b>		-	-	
Malka Gufu Chiefs Office	Construction of chiefs office(chiefs office,assistants chiefs and secretaries office) to completion	1,500,000	-	Ongoing
<b>Sub-Total</b>		<b>1,500,000</b>	-	
<b>6.0 Primary School Projects</b>		-	-	
Godoma NEP primary school	Fencing of the school compound to completion chain link with concrete posts(1,200 mtrs)	500,000	-	Ongoing
Watiti Primary School	Renovation of 4 classes(floor repairing, wall repairs replacements of doors and windows)to completion	1,000,000	-	Ongoing
Watiti Primary School	Construction of two door toilets to completions	407,906	-	Ongoing
Chalalaqa Primary School	Construction of one classrooms to completion	900,000	-	Ongoing
Kardusse Primary School	Construction of two classrooms to completion	1,800,000	-	Ongoing
Batalu primary school	Construction of three door toilet to completion pit latrine	600,000	-	Ongoing

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Programme/Sub-programme	Description	Outstanding balance	Outstanding balance	Comments
		2019/20	2018/19	
		Kshs	Kshs	
Malaba Primary School	Renovation of four classrooms(floor repairs, replacements of doors and windows, wall plastering and painting) to completion	800,000	-	Ongoing
Bute Arid Zone Primary School	Electrical installations of boarding wing 21 units(wiring of 21 units, cable installations, sockets fixing and cable extensions to the blocks) to completion	500,000	-	Ongoing
Sub-county director Educations residence-wajir North	Renovation of Sub-county director Educations residence 3 rooms (floor repairs, replacements of doors and windows, wall repairs and paintings) to completion	1,100,000	-	Ongoing
Adhadhi Ijole Primary School	Equipping and piping of water from adhadhi ijole borehole to Adhadhi Ijole primary school(5.5 KM) to completion	5,000,000	-	Ongoing
Gurar Primary School	Renovation of 3 classroom(floor repairs, replacements of doors and windows, wall repairs and paintings) to completion	-	-	Ongoing
Gurar Primary School	Fencing of school compound chain link with concrete posts(1,200 mtrs) to completion	300,000	-	Ongoing

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Programme/Sub-programme	Description	Outstanding balance	Outstanding balance	Comments
		2019/20	2018/19	
		Kshs	Kshs	
Sirey Primary School school	Construction of one classrooms(ksh,900,000) and 2 door pit latrine toilet to completion(400,000)	1,300,000	-	Ongoing
danaba Primary School	Construction of two door toilets(pit latrines) to completion	400,000	-	Ongoing
Andaraka Primary School	Construction of two classrooms to completion	1,800,000	-	Ongoing
Qudama Primary School	Construction of administration block(head teachers office/Deputy teacher secretary and store) to completion	1,500,000	-	Ongoing
Bosicha Primary School	Fencing of school compound(chain link with concrete poles)	1,000,000	-	Ongoing
Bosicha Primary School		800,000	-	Ongoing
Ajawa Primary School school		7,500,000	-	Ongoing
Kuro Primary School	Construction of 4 door toilets to completion (pit latrines)	900,000	-	Ongoing
Buna Primary School school		2,400,000	-	Ongoing
Idho roble Primary School		500,000	-	Ongoing
Lensayu Primary School	Piping of water from duhuma borehole to ajawa primary school and construction of elevated tank(2) of 10,000 ltrs capacity tank to the school 7KM	400,000	-	Ongoing
Rabsu Primary School school	(phase 1 to completion)	900,000	-	Ongoing



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Programme/Sub-programme	Description	Outstanding balance	Outstanding balance	Comments
		2019/20	2018/19	
		Kshs	Kshs	
Ogorji Primary School	Fencing of school compound to completion, chain link and concrete posts(3000mtrs)	500,000	-	Ongoing
Dugo Primary School	Construction of underground water tank(30,000m3. ) to completion	1,300,000	-	Ongoing
Beramo Primary School	Fencing of school compound to completion (1800 mtrs). With chain link and concrete posts to completion	2,300,000	-	Ongoing
Serayu Primary School	Construction of two door toilets to completion(pit latrines).	400,000	-	Ongoing
jarti Primary School	Renovation of two classrooms.(floor repairs, replacement of doors and windows and paintings) to completion	500,000	-	Ongoing
Ololdinle Primary School	Construction of one class room to completion	900,000	-	Ongoing
Bute Boys secondary school	Completion of school fencing(erection of ,chain link and concrete posts)3,500mtrs to completion	4,500,000	-	Ongoing
Bute Boys Secondary School	(Phase2)	7,500,000	-	Ongoing
Bute Girls Secondary School	Purchase of school bus 51 seater (body and chasis)-	3,700,000	-	Ongoing

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Programme/Sub-programme	Description	Outstanding balance 2019/20	Outstanding balance 2018/19	Comments
		Kshs	Kshs	
Bute Primary School	Completion of extension of piping of water from Bute borehole to Malaba primary school, Bute girls, Bute primary school and Bute boys in Bute ward(3000mtrs). To completion.	2,000,000	-	Ongoing
Bosicha Primary School	Project received ksh,1,000,00	1,000,000	-	Ongoing
<b>Sub-Total</b>		<b>54,407,906</b>	-	
<b>7.0 Secondary School Projects</b>				
Bute mixed day secondary	Construction of dinning hall with kitchen of 800 student capacity to completion	450,000	-	Ongoing
Danaba Day secondary	Completion of administration block(staff room,H/teachers office/D/headteachers and bursars office)to completion	1,800,000	-	Ongoing
Buna Girls Secondary School	Completion of dormitory 80 capacity bed(wall partitioning, floor works and painting)to completion	1,000,000	-	Ongoing
Korondile Secondary School	Fencing of school compound (chain link with metallic posts2000 mtrs to completion	1,800,000	-	Ongoing
<b>Sub-Total</b>	<b>(Phase one)</b>	<b>5,050,000</b>	-	

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Programme/Sub-programme	Description	Outstanding balance 2019/20	Outstanding balance 2018/19	Comments
		Kshs	Kshs	
<b>8.0 Others</b>		-	-	
NG-CDFC Wajir North	Renovation of NG-CDF office at wajir North constituency six rooms(floor repairing, ceiling and tiles replacements to completion	1,520,000	-	Ongoing
NGCDFC WAJIR NORTH	Construction of underground water tank and guttering for the office at the Bute NGCDF office to completion 40m3	2,239,484	-	Ongoing
<b>Sub-Total</b>		<b>3,759,484</b>	-	
<b>GRAND TOTAL</b>		<b>83,005,145</b>	-	

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**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost (Kshs) 2018/2019	Additions during the Year (Kshs)	Disposal during the year (Kshs)	BAL C/D (Kshs) 2019/20
Buildings and structures	5,300,000	~	~	5,300,000.00
Transport equipment	3,400,000	~	~	3,400,000.00
Office equipment, furniture and fittings	760,000-	~	~	760,000.00
ICT Equipment, Software and Other ICT Assets	274,000.00	~	~	274,000.00
Other Machinery and Equipment	155,000.00	~	~	155,000.00
Heritage and cultural assets	-	~	~	-
Intangible assets	-	~	~	-
<b>Total</b>	<b>9,889,000.00</b>	<b>~</b>	<b>~</b>	<b>9,889,000</b>

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**ANNEX 3 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

S/NO	PMC	Bank	Account number	Bank Balance
				30.6.2020
1	WASO SEC SCHOOL	EQUITY BANK- WAJIR	0410278975015	569.36
2	MWANGAZA GIRLS	EQUITY BANK- WAJIR	0410279604294	369.23
3	MERTI SEC SCHOOL	EQUITY BANK- WAJIR	0410279919080	500.00
4	NGARAMARA SEC	EQUITY BANK- WAJIR	0410279868198	698.36
				<b>2,136.95</b>